

Public Hearing: Concord Hospital's Proposed Acquisition of L...

Tue, 2/23 4:00PM • 2:08:04

SUMMARY KEYWORDS

concord, hospital, community, lrg, question, services, franklin, bob, region, kevin, transaction, healthcare, lakes region, comment, organization, ensure, bankruptcy, process, care, lakes

00:07

Good afternoon.

00:10

Welcome to the public hearing on the proposed transaction between LRGHealthcare and Concord hospital. My name is Tom Donovan. I am the director of charitable trusts at the attorney general's office. I have with me Diane Quinlan, the Assistant Director of charitable trust. You are all attending this hearing remotely. We wish we could have done it live, but we can't. We have had success in conducting these sorts of public hearings remotely. So we know it can work today, and we appreciate your patience and bear with us as we move forward. This hearing is part of the process relating to the proposed sale of the assets of LR gh to Concord hospital. Our office is reviewing the transaction now, and your comments are very important. I will come back at the end of the hearing to describe how to make additional written comments. Now, let me introduce our moderator for today. Laurie Storey-Manseau

01:29

Thank you, Tom. Good afternoon, everyone. Thank you for joining us. My name as Tom said is Laurie Storey-Manseau and I will be facilitating this afternoon's virtual hearing. With me is today is Becky Robinson, who is our chat host. If you have any technical questions or issues during the meeting, we invite you to type those in the chat area, and she will do her best to assist you. Also joining us is Kelly Griffin who will be operating today's slide presentation. Before we begin the meeting, I want to take a moment to make you aware of some technical considerations for the hearing. First, we are recording the meeting. If you choose to speak during the public comment portion of the hearing, please be aware that you will be part of the recording and on camera. Second, please take a second now to locate the zoom chat function on your screen. Feel free to say hello to the other attendees of the hearing. When you do please use the drop down menu to select all panelists and attendees, so everyone participating in today's meeting will see your communication. Third, after the presentation our panelists will ask answer your questions. We invite you to put questions or comments in the chat at any time. And we will answer as many pot as possible after the presentation. And finally, we are grateful for your interest and participation in today's hearing. Alright, let's get started. Our first presentation will be given by Katharine

London, Principal health principal at health and law policy at cotton Commonwealth medicine.
Catherine. Catherine, you might want to unmute your mic.

03:17

Yes. I know after all that rehearsal I thought Tom was going first. So there we go. Thank you for attending today I see we have a large number of people. So there's a lot of interest in the community about this transaction. If you can go to the next slide. I'm Katherine London. I'm a principal in Health Law and Policy at the University of Massachusetts Medical School. And the Department of Justice asked me to speak to you today to provide some background about the transaction and give you some information so that you can make an informed decision and give comments about whether this transaction is in the best interest of the community. So I'm going to talk a little bit about the transaction overall. And then give you some information about the hospitals. Talk a little bit about their finances, about cost and quality, about the needs of the community. And then I'm going to end with some suggested questions for you to think about while you're deciding whether you think this transaction is in the best interest of the community, and then you'll be able to pose some of those questions to the presenters as we go on. Next slide. So starting with the proposed transaction, next slide. I think you probably all know this basic background, that in 2020 Lakes hospital and Franklin filed a petition for bankruptcy for relief under the chapter 11 in the bankruptcy code. And the bankruptcy court invited bids to purchase Lakes and Franklin healthcare. Concord hospital is the only bidder. So Concord has filed a notice to have this proposed transaction with Lakes and Franklin healthcare. Next slide. And the proposal is that Lakes and Franklin healthcare would sell substantially all of its assets to Concord. Concord is committing to keep the health care facilities that are currently run as Lakes and Franklin open and operating as acute care hospitals for a period of at least five years. And Concord will rename them, Concord hospital Lakonia. And Concord hospital Franklin. Concord proposes that the new hospitals could be Lakes hospital Lakonia and Concord hospital Franklin may maintain current levels of service. But Concord will need to conduct an analysis as they go forward to see if they can continue to maintain those service levels. Next slide. So you will hear more from the hospitals after me. But in general, the hospitals will say that this transaction will provide long term financial stability for the hospitals. So where you have to have the partners are in bankruptcy, this is a big concern, to ensure the long term financial stability. There's a long term partnership between Concord and these Lakes and Franklin hospitals because they're all in the same region. It would maintain the charitable missions of the hospitals. And the hospitals would create a three year action plan to respond to the health needs of the region and hopefully improve access to services in the region and improve operating efficiencies of Lakes and Franklin. Next slide. So stakeholders so a number of people have expressed concerns, you've probably seen some of the concerns in the newspapers recently. And they fall into two general buckets. So one is if the transaction falls through. If Concord does not acquire Lakes and Franklin, the hospitals will close. And there will be no hospitals in the Lakes in three rivers regions. That would mean there would be no hospital services, no emergency services possible that some other entity might come in and open something in those buildings, but likely there would be no hospital. If the transaction does occur, there's still a possibility

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that services will not continue as they are. And we know that even now, there is some issues accessing services because there's services have closed in the region. So there are challenges accessing

maternity care, orthopedic care now that they orthopedic practices, not going to continue psychiatric services. So there's there's concern about accessing services now. And where Congress is going to come in and look at the finances of the hospital, it might turn out that they need to impose more financial austerity measures to save costs. And that could further reduce services. So so there's a lot of nervousness about what services will be available going forward. There's some concern about loss of collaboration with other services in the region. So link lakes and Franklin worked very closely with other providers in the area. And there's a nervousness that concrete won't be able to continue those partnerships. Concord has committed to continue charity care policies for five years, but something those policies could change after five years. So those are some high level concerns. And I'm going to go through some background information now so that you can put these in context. Excellent. So just some background on these hospitals. Next slide. So this is a map of the region you all know this. The location of the two hospitals the purple area, the purple region are communities served primarily by lakes and Franklin. The blue or is primarily served by color Concord and the green towns are kind of overlap already. So there's already a fair amount of overlap in where patients in these areas take their care. Next slide. So this is a little bit larger map. And as you know, if Franklin likes closed, it's it's a high ticket care. So you know, the next hospital South is conquered. To the north of sphere to the right is hug it to the east is Huggins and to the west is New London. But that's a pretty wide area to not have hospital services. So I think everyone is concerned about maintaining hospital services in this region.

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Next,

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these are just some data. lakes and Franklin are much smaller hospitals and Concord Concord has a larger number of beds, I should explain this, hospitals are licensed to have a certain number of beds, but then often, they don't have staff available to operate all of those beds at once. So Concord, is operating to 240 or so of their beds of their 295 beds. And most of these data are a little bit old. And I apologize for that, because of the pandemic. hospitals have not been required to report data as frequently. And so we have to rely on data from before the pandemic. Except that the staff does four lakes and Franklin, this is as of this month. The report from the hospitals themselves that right now lakes is running 50 of its 137 beds, and Franklin has 28 of its 35 beds open. So they're already ratcheting down. And the hope is that when Concord if the transaction is approved, and Concord takes over, that they'll be able to operate more of those beds again. Also, on this slide is some information about charity care. Concord provides quite a bit more charity care than either likes or Franklin, you can see it from an operating expense in revenues, that it's twice as big more than twice as big as the two hospitals combined. Going to the next slide. So I wanted to show you a little bit about the finances of these hospitals. To give you a sense of what happened, how did we get here to the situation. So we're going to look at trends over time. And these are a number of graphs, but I think you'll you'll get them. Let's go to the first one. So this is looking at finances for lakes, by itself. And we'll look at Franklin next and then at Concord. And this is looking over the period from 2014 to 2019. And it's a little complicated because we put expenses and revenues on the same chart with discharges just sort of to give you a sense of what was happening. So the blue is discharges. So you can see that hospital. Hospital discharges were running along pretty even up to about 2016. And then starting in 2016, volume goes way down. And the green line is revenue and at the same so Greenline falls to discharges, the

revenues go along pretty solidly and then they start going down. Because you're doing less service, you're getting paid less. But the red line are expenses. And while revenues and discharges were going down, the expenses continue to go up. So that's basically the problem. You can't run a business with your expenses keeping when expenses keep going up and revenues keep going down. And as I said, we only have data through 2019 because of the extension on on filings. But if you carry this out, you would see the expenses continue about the same level and the revenues continuing to decline, causing a bigger and bigger deficit. It's good Franklin. So Franklin's a much smaller hospital. And it's these charts are not to scale. But you can see a little bit of a similar trend where the volume the blue line was going down, the revenue was going down. In this case, the expenses went down a little bit more than the revenue. So Franklin on its own looks better. It's hard to tell. You know, as I said, Franklin is a much much smaller hospital. So this is this this small degree to which revenue as extensive as the Franklin campus is not enough to carry the whole hospital chain,

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and then going forward to Concord. Concord is is in a much healthier shape. And you can still see that Concord volume went up very quickly, the blue line went up very quickly from 2014 to 2016, and then leveled off a little bit. But the green line revenues increased at a healthy rate, the red line expenses are increasing as well. But revenues are staying above expenses, which is what you want to see the revenues are covering the costs. And so if you look at concrete, you can feel confident that a hospital whose revenues are greater than their expenses, has some room to take on some smaller hospitals that don't have such a positive outlook. And hopefully bring them into line and have a similar a similar balance between revenues and expenses that Concord has. going ahead, the talk a little bit about cost and quality. So I know everyone's concerned about the prices at their hospitals and about the quality of their hospitals. So I wanted to show you some data about that. So we'll go to the next slide. So this one's a little complicated. Sorry about that. But I'll give you the headline first, and then I'll explain what the chart shows. Basically, we're looking at the prices for private insurance on this slide. And I'll look at at for people with who are uninsured on the next slide. But basically, the prices paid by private insurers to these three hospitals are roughly very similar, there's not a whole lot of difference between these hospitals. There are other hospitals in New Hampshire, I could have put on this chart, and they would have looked entirely different. But these two, they look very similar. So what we did here was we looked at the set of services for each hospital. And we looked at the three big insurers and what how much those three insurers paid each of these hospitals for the services that hospital provided. And then we looked at, well, what if the hospital was paid at the statewide average rate, the statewide median rate was those prices. How do those compare to the hospitals, the payments that the hospital received, were they higher than the average, similar to the average or lower than the average. And so on this chart, the red is higher, yellow is similar Korean is lower. So overall, these hospitals that the private insurers are paying these hospitals more for emergency services, similar prices for outpatient procedures, a little bit lower here. And there are a couple couple services that are a little bit lower, but by and large, they're either high or similar. And they're very similar to each other. So what I guess what I would conclude from this, is that it would not expect that the prices for privately insured patients would change much at all, when the transaction goes through and Concord takes over these hospitals, I would expect that the prices would be about the same, you know what people have to pay out of pocket would be about the same what the insurers would pay would be about the same. Go to the next slide. So this is looking at what uninsured patients might experience. And this is based on an

estimate. So looking at the policies that the three hospitals have in place for providing charity care, and estimating what people would have to pay out of pocket if they were uninsured and applied for charity care at these hospitals. And generally, Concord policy is a little bit more generous. So if Concord extended its policy to Lakes and Franklin, people who are uninsured might pay a little bit less for their hospital services than they're paying now.

19:24

Okay, let's go to the next one. And this is looking at quality. And there are a lot a lot a lot of different ways for measuring quality. There are a lot of organizations that look at the quality of care and hospitals and measure them to ensure that they are providing high quality and safe care. In general Concord looks a little bit different. So we're these rows are looking at different sets of measures. The top set are quality measures that are posted. New Hampshire's health costs quality of care website. And on those concrete scores better than the average hospital for four measures, Lakes for only three and Franklin for only two, so Concord a little bit better there. They all score five or six measures that are similar to the state average. But Lakes and Franklin actually has some challenges that they're worse than the state average on five or six of the measures. Whereas Concord only worse on three. So by and large Concord is scoring a little bit better on quality. And then if you look at the US Center for Medicare and Medicaid Services, scores, hospitals on hundreds of measures, and then roll up those scores into some overall ratings. And those ratings Concord scores better has four stars, and where Lakes in Franklin have three stars. So what I read from this is that if Concord applies its policies for providing care at Lakes and Franklin, that the quality of care could improve over what Lakes and Franklin are providing now. So this is a good thing that you could expect that your quality of care and safety of care could be better if Concord were managing the care of going to the next one. So just very briefly about the communities both both communities have are actually in really good shape. If we look at the public health of the communities other than the COVID Coronavirus pandemic right now, in general both look pretty good. Go to the next slide, there just we will look at a number, you know, hundreds of measures across both communities. And there are a few areas where there are challenges that I know that you're probably aware of. In Merrimack County, there are higher numbers of people with diabetes, there are higher numbers of drug related deaths, there are higher numbers of drug related emergency visits. And there are higher numbers of teen pregnancies. And so those are all areas that that whichever hospital continues operating in the area would want to focus some energies on and addressing those issues. And then on the next one in Belknap County, there are different issues, you know, not we don't see the diabetes and drug issues, but we see higher numbers of people with asthma, higher numbers of deaths overall for younger people, higher numbers of deaths involving alcohol, also high teen births, and a lower share of primary care doctors and dentists already, even before this transaction. So those are some some things to be addressed. And then let's go ahead. So that was my very quick summary of what's going on and what's happening with the hospitals. And I want to give you some suggestions of questions to think about. So if you can go ahead, I'm sorry. Go ahead to the next one. But the attorney general has to make a determination or the chemical tests needs to make a determination about whether this transaction is in the best interest of the community, and is looking to you as the community to ask questions and make suggestions as to whether you think this is in the best interest of the community. And so I've provided you with some questions to think about to help you make that decision. So you'll want to think about, does this transaction provide

financial stability for all of the hospitals involved? Will it result in better access, similar access or less access to hospital care in the region if it goes through? And if it doesn't go through?

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Will the community have access to all of the services that you need in the region? Will the transaction maintain access to services for uninsured individuals, for people with Medicaid with Medicare with private insurance? And a few more on the next slide? Will the transaction result in higher or lower costs of care? Will the transaction maintain the quality and safety of the services available? Will the needs of each community be considered? When the new combined system sets priorities, how much local control will member hospitals and entities retain? Following the acquisition? Will the new entity continue existing partnerships with community organizations and providers, such as the Lakes region Mental Health Center, the Health First Family Care Center and the doorways? And will the transaction increase or decrease local employment? So I know you'll all have thought of any more questions. But those are just some to get you started. And I'm going to turn this back to Lori.

25:38

Thank you, Katharine. I would ask that you put your questions in the chat box so that we can retain them, I realized that Catherine has gone through a lot of information. So that's probably the best place to put it. We will deal with questions and answers at the end of the presentations. Now it is my pleasure to introduce Kevin Donovan, Chief Executive Officer of LRGHealthcare, Kevin.

26:05

Thank you, Laurie. And thank you everyone tonight for dialing in and taking some time out of your busy schedule to participate in tonight's forum. And, and I've been reading the questions and I look forward to the opportunity with Bob Steigmeyer, to answer some of those when we get near the end of the presentation. You know, as we thought about what we could talk about tonight, I could have spent a lot of time discussing how LRGHealthcare got into bankruptcy or going over some of the challenges or woes that we've had over the last 10 years financially. But I thought a better choice of our time or your time tonight would be to think to talk about why we think and we truly believe that this acquisition of LRGHealthcare as assets by Concord hospital is in the best interests of our community. And there are at least five primary reasons why we think that it is in the best interest of the community. And I'll go over those. And there's, there's probably many more that I could go and discuss tonight. But the first is, and I want to be clear about this, because I'm not sure that it came out in the earlier part of our discussion tonight. But this acquisition of our assets by Concord hospital will preserve community based health care services for the region for the foreseeable future. If this acquisition is not approved, it is my estimation that LRGHealthcare will close its doors within the next 30 to 60 days, thereby leaving no health care services in the region. We provide the majority of primary care services, secondary services, hospital services and a number of other programs to the community. And without the commitment from Concord hospital to maintain those services, our region will essentially be left without primary and secondary health care services. Now, it's also important to know that over the last three years, our board and our management team and our organization has put incredible effort into trying to find a partner. In 2018, our board decided that we needed a partner and we went out we talked to over 50 organizations, about their ability to partner affiliate merge whatever term you want to use with us. And it ultimately came down to only one organization at that time was willing to partner with us because

of our debt load. And ultimately, that organization walked away because of that issue. So only through bankruptcy have we been able to find a partner. And with that bankruptcy, it's very important to note that again, we spoke to around 50 organizations nationally, to see who would be interested in partnering with us to make sure that we could preserve healthcare locally. And there was only one organization that was willing to do that. And that was Concord hospital. And Cochrane hospital was willing to do that, because it made sense for the region. And because it was the right thing to do. And that's the next four points that I want to talk about and why I truly believe this is in the best interest of our region and our community. You know, we've had a very long history of support and partnership with Concord hospital. We've partnered with them on an insurance captive who granted health. We for a long time have their cardiology providers in our local community. They live here, they work here, they provide care to our community. We for a long time partnered with the Cancer Center, the patient Cancer Center and with the cancer center that we had here at LRGHealthcare, as it related to radiation oncology, as it relates to specialty programs, as it related to the medical staff providers for hematology and oncology. In the last few years, we've created two new partnerships. So when we sadly lost vascular surgery physicians, we partnered with Concord to maintain some level of vascular surgery in the local region. And the one that probably gets the most discussion is the partnership on obstetrics. And again, when we made a decision that we could no longer Support labor and delivery services, there was one organization that stepped up to the plate and said they were willing to partner with us and provide prenatal and postnatal post partum care services to local community. And that was Concord hospital. Now, we also think it makes a lot of sense because we have contiguous service areas, and we will maintain access to specialty services. And I saw a number of questions in the chat about what services will be provided, and will we have access to specialty services. And that is a big driver of why we feel that Concord hospital is the best organization to acquire our assets, because of our contiguous service areas. Because of our market size. because of the proximity, we believe that we can work collaboratively to best support our community to have access to the specialty care that they need. An organization our size of LRGHealthcare cannot be all things to all people. And we need to collaborate with an organization to provide seamless transitions of care. And we believe that Concord hospitals the best organization suited to do that.

31:06

Now very importantly, LRGHealthcare Concord hospital are both not for profit mission driven organizations. And we are focused on the health needs of the communities that we both serve. As we met, and as we discussed, strategies and partnerships and opportunities between our boards and management teams, we saw that we were focused on the same goals. we're more concerned about mission than we are margin. We've spent too much time at LRGHealthcare over the last five to 10 years, worrying about our financial future, and worrying about what we can afford and what we can't afford. And this partnership acquisition, clearly an acquisition by Cochran Hospital, where allow us to think more about our mission than we have in the last few years. And then finally, both organizations are deeply committed to providing care and caring to our patients. This isn't about market share, or it's not about pricing or it's not about size. This is about ensuring that local care can be provided long term in partnership with Cochrane hospital through the acquisition of our assets in a bankruptcy proceeding. And we are very supportive and thankful the Concord hospital is willing to step up to the plate to provide our community with the health care that they need, and deserve moving forward. So with that, I'm going to turn it over to Cindy Baron, who's our current board chair, and Cindy will talk to you a little

bit about the deliberations that our board went through, and the reasons why she thinks that this acquisition by Cochrane hospital is in the best interest of allergy healthcare and their community. Cindy

32:51

Thank you, Kevin. Hello, everybody. behalf behalf of LRGHealthcare board of directors. I'd like to thank you for attending this public hearing today. Board of Trustees is excited about partnering with Concord hospital to continue our proud 175 year tradition of providing health care to all the folks in the three rivers and lakes region. For the last three years, we've been searching for a partner to continue and improve the services to our community and to add value to the services that we provide. After many failed attempts to find a suitable match, we're fortunate to have conquered step up to the challenge. Now, the board did not take the decision to file chapter 11 lightly. I believe that during the 20 year 2020 we we met over 27 times to deliberate about this proposed transaction. And one of our primary concerns was to continue our charitable mission and to keep the hospitals open and able to serve our patients with accessible local quality health care and a variety of key services, especially during this time of pandemic. We are happy to move forward with Concord. Their mission, their ideals, and their commitment to the people they serve are aligned with ours. And we look forward to becoming part of their great hospital. Thank you.

34:27

Thank you, Kevin and Cindy. Now I would like to introduce Bob Steigmeyer, Chief Executive Officer of Concord hospital. Bob.

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Thank you, Laurie and Kevin and Cindy. For us at Concord hospital this transaction at its core, means that a sustainable health system will be available locally to meet community members needs for the years to come. And that is really has been our our core with this. You know you can pick a time For something like this, and you would never pick it in the midst of a worldwide pandemic, which has certainly challenged both of our organizations in these conversations, but we believe this transaction will assure access to needed medical care and quality health care services for the people that region. And I I have to emphasize very strongly as I think Kevin and Cindy hit on, this transaction reflects Concord hospital's charitable mission to meet health needs. In fact, what has brought us to this point has been our mission. at every level in this conversation from our governing board through management through collaborative conversations between boards and management, it has been a focus on mission. It also means generously being able to invest charitably in programs and services to respond to identified and critical healthcare needs. We are a very disciplined organization that spends time assessing needs thoroughly creating investment plans to meet those needs, and then reporting out against those plans to ensure that we're meeting needs. Over time. We're a very planful organization in that way committed to addressing critical healthcare needs. For a substantial number of employees it it assures ongoing employment with an organization that has a decade's long history of stability, and success. Oftentimes in a challenging industry. With changing payment rates, we've been able to be successful over the long run, and we believe we can extend that success to these facilities in the lakes and Three Rivers regions. For some time, for some, it will mean maybe not continuing into current roles for some employees, but access to many other opportunities throughout our health system, we find that we have more open positions than typically we can fail. And so there are there are

plenty of opportunities within our health system. For those that may not continue in a current role. for employees, it also means commitment to maintaining benefits, and most notably investing in an underfunded pension plan. And to give you a sense of this, this was a really important aspect of the transaction, as we did not want to see earned retirement benefits collapse under a bankruptcy scenario. So we ensure that through an agreement, we came to a mutually agreed upon and protect the retirement benefits of employees. So just a really important aspect was that pension plan. I'd now like to turn it over to our Chair of Concord hospitals Board of Trustees, Phil Emma for a few remarks, Phil. And Phil, you may we can't hear you, Phil, so you may be on mute.

38:05

Sorry about that. Thank you, Bob. And good afternoon to all. I would like to speak to four items. The Concord hospital Board of Trustees discussions and thorough process that we went through the board's mission focus, the board's belief in our ability to manage the hospitals and Laconia and Franklin in a sustainable manner and the board's unanimous support. At Concord hospital Board of Trustees reviewed the in depth analysis and due diligence presented to our hospitals. Presented by our hospitals management team. We engaged in many detailed discussions about this purchase of assets. Our board believes that moving forward reflects konkan hospital's charitable mission to meet the health needs of the communities we serve. This is especially true given that so many from the Lakes region and Three Rivers region come to our hospital for specialty healthcare services. Now and in the

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past.

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Based upon the analysis, our board also believes that Concord hospital can manage the hospitals in Laconia and Franklin in a sustainable manner to assure community based health care for generations to come without risk to our own organization. In fact, finally, the Concord hospital board unanimously voted to support the process in the bid to purchase the assets Have LRGHealthcare. With that I thank you for your time.

40:12

Thank you, Bob and Phil. We will now move to the questions and comments portion of the hearing. We have about an hour and 20 minutes to make that happen. So I want to talk about a few things before we begin. My role here is to keep us on track and to make sure we capture as many questions and comments as possible. As mentioned, you can comment or ask questions to ways during the hearing, by using the chat function or by raising your hand to appear on camera. If you want to ask a question or make a comment in writing, please use the chat function and I will read the comments. If you choose to raise your hand. Please be sure to turn on your camera and have a functioning microphone during the question or comment to speak. Raise your hand by clicking on the hand in the reactions feature. And when I call your name, please be prepared to ask your question or make your comment. We have received some questions in writing before the hearing and I will be inserting those questions between live questions and chat comments. Please keep questions and comments to less than three minutes and responders. Please do the same. Finally, please refrain from personal attacks. Okay, so the first question is, and this is a question that actually appeared both in questions that were submitted prior to

the hearing. And also in the chat box. There has been a trend in labor and delivery closures that leaves the region currently served by LRGH and Franklin hospital without nearby ob services for over 600 births per year in that area. First question is will the acquisition address this issue? And how? And the second question is, will the acquisition expand geriatric services in the lakes and Three Rivers region? And how? We're going to address that to Bob, can you start us off with that?

42:19

Or Laurie how I'll start and then I'll ask Kevin Donovan to make a comment that speaks to viability of small programs. You know, when when LRGHealthcare decided to discontinue childbirth services, Concord hospital immediately engaged, and we engaged to ensure that we could build a system to care for mothers in the Lakes region. And to do that we wanted to ensure that we could maintain local prenatal local prenatal services in the community while accomplishing the delivery at Concord hospital. And so over. Since that time, we've been able to build I believe, a strong program a high quality program to make sure we have continuity of care for laboring mothers and to accomplish birth at Concord hospital. We've opened a practice for prenatal services in Laconia and brought Concord hospitals practice to the region. We are committed to local care in that way. And we've established that now on a grander scale. When you look at small volume programs, you see the challenges with all the resources necessary to maintain childbirth services. It's a fairly costly proposition and small volume programs are challenged across this country and you see it everywhere, not just here in New Hampshire. I might ask Kevin to just comment on the challenges of viability with small volume programs. But we at Concord hospital are committed to maintaining local prenatal services. Although we don't intend to open back up childbirth services in Laconia,

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Kevin girth. Thanks, Bob.

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You know, I'm unsure where the number of 600 came from in the question. I, I know that the last year that we actually delivered babies at LRGHealthcare Lakes region General Hospital, we deliver 280 or so I do know that back in around 2008 or nine, we delivered in the five hundreds. And what we saw was a trend, a 10 year trend of about every year losing about 40 to 50 births. And that was really focused much on the demographics of New Hampshire and there was actually believe it was just this past weekend, a front page story in Concord monitor talking about the changing demographics of the State of New Hampshire and about the decreasing birth rate. And so to Bob's point about small volume delivery centers, you know, we saw our numbers decreasing dramatically. And we were trying to maintain a medical staff that could provide quality services and so in partnership with our medical staff We looked at how we could do that. And the decision was that we needed for physicians to cover that level of service, we had three out of four physicians who were ready to retire actually should, in some ways at work to beyond what some people might consider normal retirement age. And as we went out and tried to recruit younger obstetricians coming out of training, what we heard was that they did not want to go to low volume institutions. And for their board certification, they are mandated to get 100 deliveries per year. So from a mathematical perspective, with the deliveries decreasing, we just couldn't find a way to staff, the unit. And you know, one of the tenants of health care that people universally understand is that high volume or volume increases quality, right? So that's just makes sense. The

more you do something, the better you get at it. And so for a low volume institution, doing, you know, very little deliveries, we were worried about whether our providers could get adequate amounts of volume to keep their skill levels high. And so you know, looking forward, we thought the best decision and we still do was to partner with Concord hospital to make sure that women could still get care locally, other than the delivery, and we understand that that provides a hardship on folks from getting there from a labor and delivery perspective. But we really feel like it is a model that works better than just walking away from the service or trying to keep a service open. That is clearly unsustainable.

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Thank you, Kevin. We have a someone who has raised their hand Ken Norton has a question or comment, and I'm gonna let our technology folks give him access.

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So I've already brought Ken over. Can you just need to unmute and you can voice your question.

46:57

Great. Thank you. I have some comments and then a question. My name is Ken Norton. I'm the executive director of Nami New Hampshire National Alliance on Mental illness, and I'm a resident of Tilton. So this personally certainly impacts me and my family. I've utilized Concord hospital emergency department for mental health emergency for a family member in the past and in the interest of transparency, I have served as a community representative on Concord hospitals medical ethics committee for about 10 years. I am speaking today on behalf of Nami New Hampshire. And on numerous occasions, Governor Sununu has stated that New Hampshire is in the midst of mental health crisis. And certainly this mental health crisis existed prior to the pandemic but the pandemic has certainly worsened it with reports locally and nationally indicating dramatically increase stress, anxiety and depression across all ages, although particularly hitting children and older, older adults hard and we really don't know it's hard to predict the both the short and long term impact of the pandemic on mental health. most visible symptom of this is the practice of emergency department board and holding people in a mental health crisis for days and weeks at a time while awaiting and patient care, and inhumane practice which Nami has described as wrong, medically, legally, ethically, morally and economically. During the past several weeks, we've exceeded previous records of people being boarded, including 51 children on February 14, and a combined total of adults and kids of 86. At the end of January. Emergency Department boarding is the tip of the iceberg with many people having often having to wait months for an outpatient appointment if they're able to get one at all. It's with this as a backdrop that Nami New Hampshire is particularly concerned about hospital mergers, hospitals are no longer just the brick building on the hill but now serve as health care systems providing extensive, extensive outpatient services as well. Part of the challenge of EDI boarding is that many inpatient voluntary units have closed for a variety of reasons. One of this is example is the Jarrow psych unit LR gh, which closed last April. And on any given day, a significant number of older adults are being boarded in in emergency departments. Concord hospital has been a leader in the provision of mental health care through its continued operation of the voluntary inpatient unit that it has as well as to the volume of patients that come through to their emergency room and a mental health crisis. So at times Nami, New Hampshire hears concerns through our information resource line, about the conditions in yellow pod, that special section of the emergency for mental health patients as we do about most

hospital, boarding patients and needy. It's also notable that I've heard the statistic that as many as 40% of the people who seek mental health care and the EDI are not from the conquered region. It's clear that Concord hospital has maintained their commitment to people with mental illness, even in Face of what are significant financial challenges in doing so. Concord hospital also provides important outpatient services such as electro convulsive therapy. It has an integrated physical and mental health program. They do this in close collaboration with river bend. The local community mental health center having the riverbend CEO service Concord hospital's vice president of behavioral health that ensures that there's a close connection between Concord hospital and community based mental health services. It's important to note that Franklin hospital operates a 10 bed designated receiving facility, meaning it can accept involuntary patients it's currently the northern most designated receiving facility in the state. It's not in New Hampshire's perspective that it's imperative that as a result of this merger, that we not lose any inpatient capacity either at Concord or Franklin. And our hope is that serious consideration will be given to reopening the geropsych unit at LRGH, it's also critically important that the Coney Franklin surrounding communities continue to have local access to comprehensive community based mental health services. While COVID has opened the door for telehealth, which is wonderful. It's not a replacement for local services, particularly for vulnerable populations for people who often don't have access to reliable transportation or even internet. So

51:19

Ken, can I interrupt you? You've gone beyond three minutes. If you have a question. Could you ask your question?

51:24

Sure.

51:26

That the question is, will Concord hospital ensure that patients that inpatient and outpatient mental health services are not reduced as a result of this merger? And are there any plans to increase mental health services and supports?

51:41

Thank you, Ken. Bob, would you like to take that one?

51:44

Sure, Laurie, I will. And first of all, Ken, thank you so much for your leadership in the state. I don't mean to be glib at all. But you're preaching to the choir here at Concord hospital, we do believe we've been a leader in this state. And in in providing innovative Behavioral Health Solutions, in fact, being one of the first in the state to open up mobile crisis, first in the state to focus on crisis treatment centers, to maintain our voluntary unit to work on early directed therapy, and to be innovating at a pace that we need to be innovative to try to meet the needs of the communities we serve. And I think you're correct in that many people come into Concord from outside the region, because of some of those services. And it puts amazing stress on the services we have. But I can tell you looking back at our commitment, whether it's services or money, it has only expanded tremendously. Since since I've been here over the last seven years, we've doubled the investment. The net investment today in behavioral health

services, and I say net, I mean, net of any other revenues we receive is over 11 and a half million dollars per year. And it continues to grow. And of course, we have to manage that and also manage the sustainability of our of our health system. But we have clearly responded to the needs. And we will continue to operate those 10 psychiatric beds in Franklin for sure. Absolutely. Yes. As far as Jarrow psych goes, we need to evaluate where we're doing the planning to understand what could be done there. So I really don't have a response at this moment to that. But I think you can expect Concord hospital will continue to be an innovator continue to strive to meet those needs. And and that's simply what we'll do. And I appreciate your leadership in the state. Ken, thank you so much. Thanks, Bob.

53:37

Thank you, Ken. And thank you, Bob. We have someone in the in queue to go on live to ask a question. But before I go to Kristen, I would like to ask one of the chat questions. And that is, I would like to know what steps Concord hospital will take to eliminate the \$2.5 million monthly losses reportedly being experienced at LRGH. And I will add to that, that there's a number of questions not just about that, but also who will manage the finances going forward?

54:11

Yeah, thank you, Laurie, this is Bob. You know, this is I've seen this, come through the chat and multiple questions. And so it's really very important to understand. Concord hospital wouldn't be in this position. We wouldn't be here today. Had we not felt that we can achieve sustainability for local healthcare in the lakes and Three Rivers regions, we simply wouldn't be here. So we've studied this situation deeply. And we see the problem with excessive debt. And in fact, the bankruptcy process essentially discharges that debt. So one of the financial problems of LRGHealthcare has been excessive debt, and that debt is eliminated through bankruptcy. After death comes a number of other things. But I would mention information technology and the costs of information technology. And when you look at what has been spent in information technology at lakes, it's substantially more than they can afford to spend. We've spent a lot of time and due diligence understanding what would it look like to be able to extend our information technology platform, our what they call the technologists called single instance, to the lakes and Three Rivers regions to the facilities, and we can do that at substantially less cost. And by substantially, I mean, you know, substantially 50 to 60% less. And so we see that as a really important step to bolstering financial sustainability. After that comes a whole number of agreements that, frankly, we didn't see as viable, and that we need to address. And and so that, that gets into a great deal more conversation, but I'll, I'll leave it at that. And we do believe there are synergies, overused word, but synergies with things like how we build and code and and a number of back office functions, in terms of management of finances, that will happen out of Concord hospital. And so the financial management will be centralized at Concord hospital. Thank you.

56:28

Thank you, Bob. We have a hand raised from Kristen King. Kristin, would you please unmute your your mic and your camera? Kristen, are you there?

56:50

So Laurie,

56:50

I can see that she is on the panelist side of the webinar, but I don't see Kristin unmuting her microphone.

56:57

Yeah. I can see her too. Okay.

57:01

Maybe go on with another chat question. And Kristen, will call circle back to you Next,

57:06

We'll try to come back to you, Kristen. So a number of questions have come through about the preservation of primary care and specialty care in the Lakes region and the Three Rivers region. I would ask Bob to address that. But also, if you want to bump it over to Kevin too. That'd be fine.

57:25

Sure. And I might also lean on our chief clinical officer, Dr. Matthew Gibb, who's with us as well, to comment. You know, one of the unique facts in this situation is we've been going through this process, we conquered hospital and LRGH, to figure out the future. But we've been going through it in the midst of a worldwide pandemic. And so what you might see is typical, all everything is planned out ahead of time. That is not the case here. In fact, we're coming off of COVID numbers in this surge in December and January that are very significant. So we're working our way through a pandemic surge here in New Hampshire, as my fellow facilities and colleagues are as well. And so we're ramping up our analysis of what we need to provide locally. And as I said, we're a planful organization, we're disciplined in that way, we'll go through a thorough process to determine services. We just don't have all of that worked out today, given the facts of a pandemic. I would tell you, though, having said that, one area is crystal clear to us. And certainly what I said about behavioral health and ensuring we're meeting the needs there, but primary care, primary care, and I saw that in the chat as well. Primary Care is something that we need to enhance in these regions. And we're developing plans as we sit today to provide more primary care in the regions. So expanding services in the area of primary care. As far as specialty care goes, it's really more to come. We have to plan that out more in more detail, but it is really clear to us we need to advance and enhanced primary care. Kevin, I guess I would turn it to you.

59:07

Yeah, thank you, Bob. I mean, LRGHealthcare has a long history of supporting primary care in our community. And when I think about many reasons that Concord hospital makes sense for us from an acquisition perspective is because of the commitment, the primary care and we know that there is a lack of primary care in this region. And we are excited to be able to partner become acquired by Cochrane hospital to increase that presence of primary care. And you know, we've got some great primary care providers in our community, and we look forward to the addition of more and for easy access for me. Thank you, Kevin.

59:46

I might just ask very briefly, if Matthew give Dr. Gibb our chief clinical officer would want to make a comment about really the overall planning out of clinical scope and the region.

59:57

Thank you, Bob. And good afternoon, everybody. as has been said, primary care is a very high priority for us. We have already begun plans on not only stabilizing practices in the region. In the last two weeks, we've had meetings with providers in the Lakes region, and discussed how we would come together. So in addition to that, we know more primary care resources will be needed. So our recruiting strategy is under discussion, both physicians and advanced practice providers, and this is something that we would begin to work on immediately. One of the focuses of our organization is care coordination. And it's very important to us that we're able to have a integrated primary care, you know, platform, which we tried to do here in Concord and also in lakes so that patients have continuity of care between their various transitions of care need for specialty services and the like. So being able to bring some of those things we're developing here in Concord to the Lakes region is also a big part of primary care. I'd agree with Bob's specialty care is a work in progress. We certainly don't want to harm anything that is working. Well, we may need to augment things. And we may need to adjust the viability of some of the practices in specialty services. As we get more understanding of local care. Our general strategy is to not be disruptive or do large changes as we work towards stabilizing all care in the region. And I think that would apply to specialty care in pretty much every area that exists today. And certainly, perhaps opportunities to have conquered specialty Physicians and Surgeons participate in in service development in the lakes and Three Rivers region. So thank you for the opportunity to comment. Thank you, Matt.

1:02:17

Kristen, are you with us again, I'm going to circle back to you and see if you have a question or comment that you'd like to make. I see that your mic is still muted. No, I don't have Kristen at this point. Okay, I will move on to one of the questions that has been submitted prior to the hearing and that is what is Concord's backup plan for the telehealth. If telehealth is not sustained, and I'll go on to read, there's a good length here too to it. So bear with me. Concord asserts that technology will be a primary enabler of improved access to care, convenience and results. Current telehealth authorities are fairly broad at the federal and state level. But the duration of those flexibilities is uncertain. What does Congress plan to maintain improved access convenience and results? Should the federal telehealth authorities terminate and or state telehealth authorities be repealed? How will Concord ensure a sustainable system in the Lakes region and Three Rivers region without the financial difficulties of the healthcare system has experienced today?

1:03:31

So Laurie, I guess you direct that to me and I, again will ask after making a few comments, Dr. Gibbs to join me in the response. You know, certainly we have experienced an acceleration of telemedicine in the midst of the worldwide pandemic we're in. And we have found and refined our processes over time. And it's hard for us to imagine that that kind of response, that component would just be eviscerated or eliminated or not. not valued moving forward, because we don't think there's any really any looking back. So you know, we're working to ensure that we're speaking to the right folks both state and federally to ensure that telehealth finds its proper position in the delivery system and is paid for properly

and we ensure its sustainability going forward. We do see it as really important to be leveraged in this discussion of care in Central New Hampshire. But as the as the questioner points out, there's many uncertainties here. And I agree, I agree with them. We're going to have to respond regardless. But I would say that we don't see moving backwards with regard to telemedicine and Dr. Gibbs, you want to join me in that conversation.

1:04:49

Thank you, Bob. I agree. The pandemic has demonstrated the necessity of telehealth in many ways It's also educating us about what the best opportunities for telehealth visits are. There are certainly still a number of things that in person visits are necessary for. So it's not a full replacement. I think, as Bob mentioned, you know, we're finding its place. A big part of the opportunity to offer telehealth is around the reimbursement mechanisms for the visits. And at Concord hospital, we strongly support a telehealth platform and maintaining that and our ability to communicate with state and national, you know, stakeholders about that. If we take every opportunity to do that. As far as extending services, we I think we have built a very robust platform both for various types of video telehealth and been able to integrate that with our Cerner scheduling system. So, certainly, technology needed to be conquered. But it's, it's been received very well. And I see that we could probably look at a strategy that amplifies that in lakes and three rivers. So from our perspective, it's very important. And we would work to maintain and find its proper place in our in our clinical care platform. Thank you, Bob. And, Matt,

1:06:32

I'm going to combine a couple of questions here that have come in through the chat that really cover concerns for a lot of folks who have put in questions in the chat and that is Concord hospital commits, committed to keeping Wait a minute, I'm sorry, the wrong one. Concord hospital won't commit to keeping LRGH and FRH open. How is this transaction transaction better than the bankruptcy? And then the next question was, or comment is a closure will disseminate home values for property owners in the surrounding neighborhood? a five year commitment isn't very long. Bob, would you like to address that?

1:07:13

Sure, sure. And I saw that come through the chat and just want to add my voice. We made a commitment through a purchase agreement to ensure that these facilities would be kept open, at least for five years, we see a need beyond five years. And and we're building a system because we believe in local care, sustainable care delivered locally. And that is who we are. And that's what we will do. But in terms of a solid commitment, what we said in the purchase agreement was just as what you heard, was we made a commitment for at least five years. But certainly we believe the services need to be in the local communities longer than that. And so I just want to add that. Thank you, Bob.

1:08:00

Next question is Concord hospital proposes to work to maintain existing services at LRGH and FRH. How will they engage the community in determining what services are needed at LRGH, and Franklin hospital?

1:08:15

Another really great question. And this speaks to the planful nature of Concord. And and, and LRGH as well. I mean, we were an organization that takes stock every three years and a detailed Community Health Needs Assessment. And I know, Kevin, you and your organization completed your assessment actually, just last year, and we're looking at that data, we're comparing that to the data we had from our 2018 assessment. And we see a lot of similarities in terms of critical needs and how we address them. So what we do is basically every three years we do a detailed assessment of health needs. From that assessment, we develop a specific investment plan for services, and then we proceed to implement those actions. And then every year annually, we report out to our Board of Trustees and to the community, what we achieved in each 12 month period. So we stay very disciplined in the cycle of every three years assessing healthcare needs and making investments, and then documenting that, indeed, we actually executed on our investment plans. We have a pretty thorough report out to the community, about our charitable achievements, we get down to the single individual level and count the number of people who benefited from a specific service or program and the financial support for those programs. So we're pretty detailed in our report out to our community and our board. So that's a planning process we're committed to as as LRGH. And we've done done things very similarly over the years. Thank you,

1:09:47

Bob. I have a question that two questions that actually I think come out of Katharine's presentation, although I believe Bob, you probably will want to answer them and it's the first is our fees. The service charges higher than charges at lakes. And then the second is, is that why charity? charitable care is more generous? At Concord hospital?

1:10:11

You know, that's a great question and one that I have not received before, I'm going to ask our Chief Financial Officer Scott Sloane to join me in the response. But I would just tee it up first with this. We are in a very appropriate and respectful process where we can't see that information. We're not allowed to see that information, that competitive information. So we're two separate organizations today. And I can tell you that we we don't see that information. So we can't I couldn't make a comment on how they compare to us. But I see the connection to the amount of charity care and care for the uninsured. I just don't have the answer for that question. Scott, would you like to comment on that?

1:10:55

But I think you have a right The only thing I would add is you're right, we cannot see the their charges compared to ours. But when you when you look at as a percent of charges. I know we're both committed to providing charity care. I think Concord's charity is a bit higher than weights. And I think I won't speak for Kevin, but I think we've had some greater ability to provide charity care, certainly over the last several years, then lights may have been able to provide so I do believe our numbers, even on an apples to apples comparison would be higher.

1:11:29

Thank you, Scott,

1:11:30

if I could just add a little bit to that to Bob and Scott. So when our board went through the deliberative process of looking at, you know, the potential acquiring entities through the bankruptcy process, one of the very important kind of indicators for us was, does the organization have a robust charity care policy to make sure that those in our community who cannot afford it will be able to do so. And that was one of the things that we were impressed about Concord hospital. And so, you know, we're excited that this means that maybe there will be more charity care provided in our community. And that's something that again, goes back to that mission driven organization that Concord hospital is and why we believe it's such a good organization to acquire our assets.

1:12:15

Thanks, Katharine, would you like to come into this?

1:12:19

Yeah, I'll just comment. On the analysis that I thought we were looking at the amount that a person would have to pay for the same service, if they were under Concord charitable care policy or likes or Franklin's and that. So our analysis showed that that person would pay less that's kind of covered under the current policy. So I get that, you know, charges and fees vary and that policies vary. But at the end of the day, when you get to the level that someone would have to pay out of pocket, that amount was less.

1:12:58

Okay. Thank you, Katherine.

1:12:59

Thank you. Thank you, folks. Another one, that and it's a comment and a question. This is an asset sale, I presume no debt will be assumed by the buyer. Will all of LRGH debts be discharged in bankruptcy?

1:13:16

And I will also have Scott come in on this as well, Scott Sloane our chief financial officer. But But yes, it's true that the debt is discharged through a bankruptcy process. And with the sale price, those funds are used to settle the outstanding, I guess, invoices from vendors. And Scott and Kevin, do you want to add anything to that?

1:13:43

I'll let Kevin go first, Bob. Okay.

1:13:46

Yeah. So, you know, in in the bankruptcy process, you know, there are a large number of debts, whether they're secured debts or unsecured debts that we have, that will be liquidated through the process. And that's a complicated body of work that we are doing through the courts right now with capable advisors. And that process has been going well, and ultimately, how much money gets paid to the secured lenders and unsecured lenders depends upon, you know, the dollars that flow through that transaction at the end, and Concord hospital has proposed a acquisition price. And that is the, you

know, beginning of that process, and we are working with a creditor committee, and we're working with the various creditors to determine you know, how much they will receive at the end of it, but clearly, the bankruptcy is an opportunity for us to restructure ourselves financially, to be sustainable long term. And, and, you know, so as part of that, it would not be reasonable to assume that Concord hospital could assume all of our remaining 100 and \$11 million worth of debt that was that is there today.

1:14:57

Thanks, Kevin. And Scott, you may want to comment on capitalization or actual capitalization of these enterprises?

1:15:03

Sure. Thanks, Bob. You know, as Kevin said, Really, the outstanding debt of LRGH, will be settled through bankruptcy. So we conquerable not be taking on any of that debt, which, which was a barrier from for us working together, as Kevin and Sandy spoke about earlier. The debt needed to be addressed, and it was so so we start somewhat with a clean slate, if you will. But as we've been going through the diligence process, you know, we've looked at the facilities at LR gh, both in Laconia, and Franklin, their equipment and their capital needs. So we do plan on investing a significant amount of capital over the next two years, and then ultimately get the organization's onto a sustainable reinvestment program starting in about year three or four. But we have an idea of where the needs are now. But certainly we need to work closer with with leadership and others at those organizations. But that is our plan to capitalize the organizations with an appropriate amount of borrowing to upgrade facilities, equipment, and IT systems.

1:16:12

Thank you, Scott. We have a question from someone from Howard Epstein, who has raised his hand. Howard, would you like to join us? Howard, you can unmute your mic.

1:16:32

Can you hear me now?

1:16:33

We can hear you. Thank you.

1:16:36

Okay. I am concerned

1:16:37

that there is no services agreement that is being made with ALS and the Laconia Clinic. And I even if it was a modified services agreement, I would appreciate it.

1:16:53

Thank you very much.

1:16:55

Thank you, Howard.

1:16:57

Okay, I'll jump in on that. And I will ask Dr. Gibb to join me as well. So when it comes to ALS, and the orthopedic surgeons in the Lakes region, we have been encouraging over the last year or so that they collaborate with Concord, orthopedics, Concord orthopedics, being a partner of Concord hospital, we don't currently employ orthopedic surgeons and really don't have an intention to employ orthopedic surgeons. So we've encouraged the discussion between those two organizations. I know and I understand iOS has decided to disband. But I would also point out that we plan to move forward with an open medical staff model. One where providers can continue on who were qualified on the medical staff to continue to deliver care to these communities. There's no barrier from a medical staff perspective. And lastly, I would just say that, you know, sustainability is a really key thing here. We need a viable situation moving forward and anything that would compromise. Compromise, the organization's from a sustainability perspective really needs to be addressed upfront. Otherwise, you know, we certainly don't want to repeat bankruptcy just a few years down downstream. So that's sort of where we sit as far as the laconia Clinic goes is Dr. Give to comment on that? Because he's been active in that conversation with laconia Clinic providers. Dr. Gibbs, can you come on in?

1:18:29

Thank you, Bob. Yes, we only recently were asked by Laconia clinic to begin discussions about the future. And by recent I mean, literally just a couple weeks ago. And we did do that. And we met with leadership of Laconia Clinic. And actually, just last night, I was in Laconia, with my team, and we met with all the providers of Laconia clinic to discuss an opportunity for employment with Concord hospital, Laconia. So, as you might understand, you know, the the pace of all the work that we are doing to respond to provider employment has been short, we really weren't able to engage in any conversation until it was clear in the bankruptcy proceeding that Concord hospital, you know, would be the party that would be discussing this with providers in the Lakes region. So we're actively engaged in conversations both with all employee delargy h providers and also laconia Clinic providers at this time.

1:19:45

Thank you, Matt. Thank you, Bob. We have another person who has raised her hand, Maggie Pritchard. You can unmute your mic. And if you'd like you can put yourself on camera.

1:19:57

Hey, well, I'm

1:19:58

not really sure how that works, but okay.

1:20:01

I'm wondering particularly for Concord hospital, given that many decisions are made based on payer mix, and what your inclinations are having studied this region for payer mix what your commitment is to serving the Medicaid population, of course, for me, particularly as it relates to mental health services, but also in general, I think Ken Norton's comment around the poverty and the vulnerability of citizens in

this area that have no access to internet and can't participate in telehealth. I wonder what you might do to drive this way to improve our community and improve our payer source mix? Potentially? Or if you've thought of that? Yeah, thank

1:20:44

you so much, Maggie. If I can, Laurie, I'll just jump in. And I could certainly ask my colleagues to join as well, Kevin Scott, and and Matt, you know, one thing I would have to correct you on is we don't, we don't sit in a room and make decisions based on payer mix. In fact, we have a mission that ensures people receive care regardless of their ability to pay. We've always been mission directed that way, Maggie, and we always will be, of course, our system needs to ensure that it's sustainable. And you know, I would have Scott Sloane in a minute comment on how he would define sustainability. Because after all, if the system isn't there in a sustainable manner, then there is no healthcare in the region. So we're aware of payer mix, we're certainly aware of what that looks like. But we don't we don't make clinical decisions based on payer mix. We make clinical decisions based on need. And very importantly, we have to manage our system to be sustainable so that we're here to serve these communities year over year over a year. And Scott, maybe you could come in and just define sustainability for everyone, that probably would be helpful.

1:21:55

Sure. Thanks, Bob. And just a quick comment on payer mix. That's one of those interesting things as we started to look at the payer mix differences. It's not as different at Concord, as you may expect it to be compared to Laconia had very similar. And as Bob said, We are very committed to Medicaid and uninsured in our market. So that would continue as well. Laconia. And so sustainability comes up a lot. And what is sustainability? Well, you know, simply put, it's really having enough revenues to be able to pay all your expenses, with a little bit leftover to reinvest in your facilities, in your technology and your people going forward. So we talked about that as a margin of two or 3%. So what that means is, for every dollar that we're bringing in, we're spending 97 or 98 cents on that dollar to provide care. And the other two to \$3 is what we set aside to reinvest for the future. And to deal with or prepare for unexpected events. Certainly the events of the last year, no one ever saw coming. And to have some sort of reserves and stability provides an organization the ability to weather some of these storms. So really, sustainability is having revenue to support expenses with with a little leftover for reinvestment. So that's that's what I'd say.

1:23:17

Well, thank you, Scott.

1:23:19

Thank you. I have a question regarding retirement, I would like to know if I am going to be able to receive my full amount due to me, how soon would I be? Would it be that I would get my money to reinvest, thank you.

1:23:35

And I'm going to need Scott's help on that. But I'm going to make the assumption that that's coming from an LRGHealthcare employee. And I regard that to with regard to the pension plan. And, and as I

said earlier, one of the really important things for us, as we, you know, put on the shoes of folks that are at LRGH and have a pension. We wanted to ensure people who've earned a pension benefit, get their pension or their retirement benefits. So this was a not a small thing, but a critically important thing that we discussed, and wanted to ensure so we are taking on pension plan that's underfunded in order to ensure those benefits are there when people retire. Now, the specific question, Scott, I would turn to you a little bit about that in terms of timing.

1:24:26

Thanks, Bob. And, Kevin, I don't know if you want to add anything before I comment.

1:24:30

I can take a pretty good stab at this one, too. So, you know, first back to Bob's comment. One of the things that was very attractive to us, again, about Concord hospital was their willingness to assume the pension plan. And as we did talk to other potential bidders, essentially none of them were interested in assuming the pension plan. And some of them suggested that we might want to just default on the pension. So it was in a poor decision for us that Concord was so engaged and committed to that pension plan. So, you know, first off, we appreciate that now as it relates to the former employees question, as part of the bankruptcy hearing or process when we are in bankruptcy, we cannot pay out people lump sum benefits, they can elect annual annuity payments, so they can access their pension, but they cannot get a lump sum payout. So, my expectation would be that post bankruptcy, once we are acquired and functioning normally that we would go back to being able to pay out those lump sum benefits to employees who have rightfully earned those benefit amounts.

1:25:49

Right, Kevin? Thank you. That was our understanding as well, the lump sums were frozen during the bankruptcy, it's not allowed. I can't give a specific date. But as as Bob said, we're very committed to the pension plan. And we will get it to be a fully functioning plan, if it isn't already, sort of after we get through the fruit of the bankruptcy to the closing date. But we are absolutely committed to that. It is underfunded, we will appropriately funded and we believe in maintaining and keeping a healthy pension plan. We have one here in Concord. And we're committed to that for years. And we're bringing that commitment to the same plan for LRGHealthcare employees.

1:26:31

Thank you, Scott, and Kevin and Bob. Okay, I have a question. And it's actually a number of questions, but they're related to eldercare. So let me read through these. We are all citizens of Laconia, Guilford, and the surrounding areas going are all citizens going to have to drive to Concord to see a doctor, for follow up. We're deeply concerned with orthopedics. This is a geriatric community. We all know the number one cause of death in the elderly is false. are, are all of these patients going to have to be and she's put in quotes transferred to Concord. Many are not able to make the move, make the drive to on a regular basis? How is the emfs going to handle the extra load? I know a lot of questions there. So yes, like to take that one on.

1:27:22

Laurie, I'll jump in. And then I'm going to again ask our chief clinical officer, Dr. Matthew Gibb to join me as well. And the first thing I would say is we are committed to local orthopedic care. And we're working on plans to ensure local orthopedic care. Right now, we just don't have all those plans assembled to articulate to everyone today. But we are certainly working on that plan for local orthopedic care. I can tell you from our perspective, and we all know that New Hampshire is an aging state, I think we're the second oldest in America, probably aging at the fastest rate in America. So we have to be attendant to the needs of our geriatric fellow citizens. And I know here in Concord, we've advanced geriatric care. And it's an important piece of meeting community needs. So I'm sure as we plan out for the region, we're going to need to be responsive to geriatric care as well. And I'd asked Dr. Gabe, if he would come in any any additional thoughts on that?

1:28:27

Yeah, thank you, Bob. I'll speak to Geriatric Care first. That's very important to us. We know as a companion of our aging population, social isolation and transportation difficulties are very common in our elderly patients. So we in Concord are working toward what is called an Age Friendly health system. It's a very broad platform that that looks at prioritizing our clinical care, our accessibility, our transportation links, and many other things. We partner with Concord VNA in an effort. And so it's high priority. We intend to do that also in Franklin and Laconia. I think we need to analyze the pieces that need to be amplified and invested in. So hopefully, you'll take that as a strong commitment to recognize that geriatric care is important to us. And as Bob said, we don't have all the answers just yet but you know, we're certainly going to keep that as a priority. Regarding orthopedic care, I would also add my commitment that we will develop local orthopedic care in Laconia and it is in a number of planning discussions At the moment, and I do believe we will have something more specific to say about that in the near future. Thank you, man.

1:30:09

Thank you, Matt. And Bob. Thank you. So we have a Howard Epstein has returned to ask a question. He has raised his hand. Howard, if you'd like to unmute your mic, you can certainly ask your question now. Howard, are you there?

1:30:29

Yep. Okay. Okay, good. I'm very concerned about the orthopedic care in the Lakes region, because we have gunstock ski area right here.

1:30:39

Okay. Matt, would you like to take that one on again?

1:30:46

Sure. And, Howard, I share your concern, you know, this is this is very important. And there's a couple of components to orthopedic care. And I think the one you're referring to is really traumatic injury, you know, so people who fall and break bones? And is there an opportunity for both assessment, stabilization, and then surgical care if that's required. So we know that this is important. It's not just for the skiers, but it's for our elderly and others that might have an accident at home or something similar. So trauma, orthopedic care is very high priority. It's it's high at the level of our discussion of developing

an orthopedic presence in Laconia. And coverage for the emergency room and management of patients in the hospital, if that's required is also part of that conversation.

1:31:44

Thank you, Matt. So question for Bob, what does the management team look like we've conquered, now conquered taking over? Will it be the same team that produced the same results?

1:31:59

Thank you, Laurie, and thank you for the question. We are building out our management team for what is essentially a central New Hampshire healthcare system. And at this moment, we're working on plans to centralize key functions, including information technology, HR, human resources, finances, and PR, communications and philanthropies. So we're, we're building a centralized structure, and that will be led out of Concord. And those functions will be led and support all of the facilities within this central New Hampshire healthcare system. You know, we are also have to run these facilities. And we are working with the current management team to do so. And so we conquered we'll certainly be taking a lead voice and the management of the health system, working with existing resources. And as management structures go, obviously, they'll evolve as, as time goes on, people retire, move on, and we're going to currently work with the existing team to manage the system.

1:33:05

Thank you, Bob. And in that same vein, will you add residents from our region to your board and committees?

1:33:12

Yeah, a very, very important question. And Congress has been very much sensitive and focused on this, you know, our Board of Trustees at Concord hospital, consider that a parent board if you will, need to have represent representation from the geographies we serve. So the answer to that is absolutely yes. And we've been planning for that for a while. And so we will ensure that we have representatives from the lakes and Three Rivers regions on the board of Concord hospital.

1:33:45

Keep up.

1:33:46

All right.

1:33:49

Okay, this question actually, is for both Katharine. It deals with Katherine's presentation. And the question is quality of care what was measured? Katharine are you there?

1:34:11

I am here. Thank you. What was measured is is a very wide range of measures. The patient experience measures our responses to a survey from people who were served in the hospital and that asks a whole wide range of questions like did the doctors and nurses explain things too? Clearly? Was your

room clean? Was your room quiet at night? Would you recommend this hospital to other patients? Like a wide range of questions and they get summarized up into one rating. And then the quality of services measures in something like 100 different measures that look at specific outcomes. Use of different services provided in hospitals. And so they it's a national network. So they're looking at the results in a particular hospital compared to the national average. So that's a really broad answer, but it's not one particular thing. Thank you. And I would encourage you to look at the New Hampshire health costs website for some specific measures in New Hampshire.

1:35:26

Terrific, thank you. We have a raised hand and that is from Jean Ryer. Jean, would you like to unmute your mic and show your camera if you prefer?

1:35:38

Thank you. So part of my question was just answered in the question about board memberships and so on, but, you know, I'd like to reiterate and comment that the catchment area for Lakes region, and Franklin is really very much bigger than just Laconia. And Franklin and I am living in the northernmost outpost of that catchment area. It puts me an hour away from Laconia alone. And then concrete is a further distance. So I think it's, I commend you for planning to include our voices in your board and in your planning processes, especially in your community benefit and community needs assessment planning. I'd also like to know what will happen with the community benefit dollars that are part of have accrued to Lakes region and Franklin over the years?

1:36:33

Bob, would you like to address that?

1:36:34

Sure. Jean, first, thank you so much for your voice. And as we looked at the region, we we definitely understand it's bigger than Franklin and Laconia, we see the primary and secondary service areas. So thank you for that reminder. And I appreciate that. Now, I think I may need to ask you to clarify in terms of community benefit dollars, are you talking about philanthropic dollars raised? Or are you talking about community benefits provided by the health system? If I could just ask you to clarify? Well,

1:37:05

I kind of intentionally bundled those together. So certainly lakes have developed endowments over the years, grateful patients and funds that were raised over time, as did Franklin. And that is part of I believe that charitable trust units, purview of the this kind of transaction. So what happens to those, and then as you make your decision about how you spend your community benefits dollars, in relationship to the needs assessment that you will do now incorporating this region, you know, how is that going to go, I guess I'm encouraging you to make sure that our planning and our voices for the entire region are heard and included and that we don't become an outpost of conquered much as I love conquer.

1:37:55

Yes, thank you, Jean. So let me take the philanthropic component First, we will absolutely ensure that any dollars that have been raised in these communities and in this region, for an explicit purpose will go

towards that purpose. So we hear a conquered, we have a conquered hospital trust, we pay very close attention to how we manage those philanthropic dollars and ensure the purposes for which they are intended, are met. And so you have our commitment that those dollars are going to remain in the communities and in the regions for their intended purpose. With 100% certainty, we know how important that is. And we will ensure that happens in terms of community benefits. Again, that's a process you know, we go, as you said to our needs assessment, we develop investment plans. And we actually do that gene for the whole region and the communities within those regions. So it's not we're not going to genericized it, it's not going to look like a conquered investment plan, it will be for the broader region. And we you know, having done this work for years and years, we know that communities aren't perfect reflections of each other, they have unique needs. And we know we're going to need to get down to that level to understand what needs to be invested. But I can tell you that we have a strong history of it, of making those investments and being very focused on ensuring we have a plan and we actually accomplish it. We hold ourselves accountable to our Board of Trustees and to the community to articulate that every 12 months. So we will do that process justice. And I can assure you that Jean.

1:39:36

Thank you, Bob, the question here. And it's a question that actually resonates with a couple of others. And just so that folks know, what I'm trying to do is bring together common questions, so that we don't spend the night re answering a lot of questions. So you will find me occasionally bringing together a group of questions. That's why you're maybe not All of the questions being asked at the same time. Okay, is this a merger of healthcare systems or hospitals? will it be? Will we become an outpost of care without consistent access?

1:40:14

Thank you, Laurie. I'll jump in as well here on this. So, no, we don't call this a merger. This is a bankruptcy of LRGHealthcare, and the assets of LRGHealthcare are we hope, going to will be allowed to acquire those assets. And we have agreed upon a purchase agreement for those assets. And so this is not what you you know, you hear a lot about mergers and acquisitions in healthcare today. And there's a tremendous amount of that going on. This is not a merger, this is not an acquisition. This is a purchase of assets from a healthcare system that is in federal bankruptcy. And so that's different than a merger. to your question, are we just going to become an outpost, I surely hope not. That is not our intention at all, we in Concord, are very familiar with what we need to do to serve the communities surrounding the capital region. And we also appreciate the need to serve locally, the communities around Laconia as Jean just mentioned in a broad geography, and Franklin, that's part of our DNA, that's part of our system. That's how we think we don't think about pulling it all to the center at all, we think about local care, delivered in a sustainable manner, for years to come to ensure the healthcare systems in place for this geography for many, many years to come. And so that's how we think about it, local care sustainably delivered, and we are going to work to ensure that's what we're doing. without, you know, without an idea that we're pulling it all to the center. Now, that said, in Concord, we do have an amount of advanced care. And we have been serving the region for those advanced care needs for many decades. And I'm sure that will continue. And I suspect in this new configuration in a more streamlined and efficient manner. Kevin, you want to add anything to that?

1:42:12

Yeah, I would like to add a little bit around the edges and some of the questions that I've seen, you know, so Bob is absolutely correct. This is not a merger. This is an organization that's in bankruptcy that held an auction to see who would be willing to buy their assets. And I know, there was a comment about that there was not I won't capture it verbatim, but it was implied that there was not a robust auction process. And I think that the US Federal bankruptcy judge would take great concern about that. That assertion. And, you know, this was a process that was run through federal bankruptcy court, overseen by the US Attorney's Office, Department of Justice. And it was a very robust process. And the truth is that only one bidder Concord hospital, showed up as part of that bidding process. And so, you know, there were some other comments about what's fair market value, the assets and fair market value is defined as what a willing buyer willing seller would take from willing buyer and vice versa. And there was one willing buyer for a purchase price of \$30 million, which is deemed fair market value in that case. And so I just wanted to, you know, give a little bit more about that. And, you know, I apologize if I'm belaboring that point a little bit, but this is this is different than your traditional merger, affiliation, that the charitable trust unit overseas. And so I just want to make people aware of that. So thank you for that. Yeah.

1:43:56

Kevin.

1:43:56

Thank you, Kevin. I would just add just very briefly that, you know, prices price, but how do you value an unfunded pension, which was also part of the transaction? And there are other pieces of the transaction that go beyond price? And how do you value the commitment to invest in the assets moving forward to build the healthcare system? So these are other elements that go beyond just a price, but thank you. Okay.

1:44:25

Lakes region mental health center has enjoyed a good working relationship with LRGH, to meet the needs of those in the community that have acute and chronic mental health needs. Can we expect the same with Concord given their already existing relationship with riverbend?

1:44:44

Yes, absolutely. Laurie, I mean, frankly, this comes back to the area of behavioral health is an area where we are under resourced, which really focuses all all of us on the need to coordinate with the resources that exist. We will absolutely be working with the local community mental health center, Lakes region, community mental health, for sure. And and if you want to kind of get a flavor for that, you can just look, as Ken pointed out, the way we work with our local CMHC Riverbend is they're actually part of a parent corporation here. They're integrated into our operations in a really strong way. And we have integration with regard to the CEO of riverbend is actually the Vice President of behavior all that conquered. So we believe in working very closely with the local or regional CMHC, that community mental health agency, and we will absolutely do that with Lakes region, community mental health, for sure.

1:45:44

Terrific, thank you. So what is the future for Dental Resource Center?

1:45:52

Well, that's a very specific question.

1:45:54

Sure is.

1:45:56

Yeah, I remember looking at Katharine slides, and I think there was a really an area in Belknap County, where it really emphasized the need for more dental care. And, and I know here in our capital region, we think about that as well, and have developed some specific tactics to ensure that dental care is being provided most specifically to the most vulnerable populations, through our safety net clinic and association with our family health center. So you know, I guess I would respond to that to say, you know, we need to be responsive to those to those needs, and dental health. Kevin, maybe that rose up on the the the most recent Community Health Needs Assessment that LRGHealthcare had. And as such, we need to have a plan. I can't tell you that I have the plan today, but we'll need to have a plan. And I think Katherine just pointed out that it's an area that needs to be responded to. And I think that's right. Right. So,

1:46:59

you know, I would add to that, that is the LRGHealthcare on the Lakes region General Hospital campus runs the dental Resource Center, which provides, you know, basic dental services to those who wouldn't have the opportunity to obtain them otherwise. And we do that, despite the fact that many individuals in this state do not have dental care. You know, I know that there's a lot of debate at the state level about a Medicaid benefit for adults, we would love to see that come to fruition. I know that the state has been working towards that. But you know, we've maintained our commitment to providing dental care to those people up until now. And, you know, the working assumption is that, you know, that's a program that we believe is needed, and that will work with Concord hospital that determine the long term viability of it. So you know, at this point in time, there's no discussion we've had particular about changing the vision or or, you know, focus of that program.

1:48:00

Thank you. Alright. This question I'm bringing from questions that were submitted prior to the hearing. Will local employers and residents lose access to LRGH, because contracts will be terminated post transaction. In the Frisbee transaction. Consumers are caught unaware when existing contracts with payers were terminated post transaction, post transaction will be acquired hospitals terminate their current contracts with health plans and providers and negotiate new terms? If yes, what kind of notice will there be to purchasers and the community about the impact of renegotiations on cost and quality?

1:48:41

Thank you, Laurie. This is a really important point. And I'm glad the question came up. And I'll make sure that Scott Sloane corrects me if I at all misspeak. But as far as contracts go with third party payers,

we intend to continue to contract with those payers that LRGH has contracted with. In fact, we're already finalized agreements with most of the major commercial carriers, anthem, Aetna, Cigna, Humana already, and we it is our intention to ensure there will be no gaps. We are aware of the situation at Frisbee, and we don't believe we're we're going to be in that similar situation as we intend to have all payer contracts taken care of from our perspective, so there'll be no gaps and I would ask Scott Sloane to to confirm I got that correct.

1:49:33

You have it exactly right, Bob. We will. We will continue all the contracts in place. As you said we have many already renegotiated for for multiple years, but none of them will be dropped on day one for sure. And we'll negotiate them. Like we do our contracts. We contract with all those payers in concrete as well. So I don't see any gaps at all happening entirely different

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than the Frisbee situation. Thank God.

1:50:00

Okay, thank you, gentlemen. question that has come up a couple of times. And that is will Concord be combining offices and closing or selling off real estate to save on overhead? There are many rumors out there. Can you clear up some of this?

1:50:16

Well, there's a question. I guess, I would say that we've made no decisions about selling off real estate. You know, I, I tend to go back to this point that we're living in a pandemic surge, it was just mere weeks ago, where we had 52, COVID positive patients in this inpatient facility. And Kevin had, I'm sure a tremendous number at Laconia as well. And we were working hard to save the lives of those in intensive care. And we are really all hands on deck serving our communities to ensure COVID care is delivered, and that we're tending to the non COVID patients health needs. So this has been a very intense and busy time, we have not developed plans to sell off real estate. We have no plans that are envisioned at this moment. And, you know, I think we'll have to work through all of that. But I would tell you that we have to be looking for efficiencies, you know, again, these communities are counting on us. People that live in the lakes and Three Rivers regions are counting on us to ensure that we can set this system up and establish a sustainable local health care system. We feel the weight of that responsibility every single day, and we will get it right. And so we're working to ensure we get that right. So if if the question is will we look for efficiencies in space? Oh, absolutely, we will. And I don't know what that means, precisely because we haven't developed specific plans for that just yet. But there are no plans on the table to sell off real estate as we sit here today. Thank you, Bob.

1:51:56

I think this question is probably best answered by Matt, and that is, there's a lot of discussion about the hospitals. However, LRGHealthcare includes employed physicians as well, how many primary care physicians and specialists are part of the transaction?

1:52:14

Yeah, thank you for the question. And I can say, you know, the, please don't say these are exact numbers, but there is approximately 90 or so employed providers that LRGHealthcare Kevin may have a more accurate number. A significant portion of those providers are primary care providers. There are also primary care providers with Laconia clinic and there are other primary care providers that are not employed by either of those entities. So we intend to offer an employment opportunity to all providers that are currently employed with LRGHealthcare are in the process of the mechanics of doing that now. I mentioned we had a meeting with Laconia clinic providers last evening. Last week, we had meetings with LR gh providers, specifically primary care on Wednesday night and hospital based specialty and surgical providers on Thursday. So we're working to to be able to convey an employment offer in the first week of March. That's our timeline. You know, a lot of work goes into that. And, again, I mentioned we had a fairly short timeline before, you know, we were actually able to go forward with this work. So Kevin may have a more specific number of primary care providers that are employed by LRGH, I may pivot to you,

1:53:51

Kevin, Thanks, Matt. I mean, I think that's directionally correct. We usually say somewhere around 100 or so employee providers. You know, and I appreciate the question too, because we use the term hospital. But we are so much more than two hospitals. And you know, the term hospital is is changing or the definition of the term. The word hospital is changing to really encapsulate all healthcare services provided in the community, or maybe at numerous services. And so much of what we do is off the app hospital campus and I think that's just as important part of our future with Concord Hospital as the hospital campuses themselves and those employee providers and medical staff members are obviously, in some ways, what we say the engine that makes the automobile run around here and so we're grateful for their service and it's important that we keep them engaged moving forward.

1:54:47

Thank you, gentlemen. This question I actually am going to pose to Tom Donovan, that is, if the transaction does not go through, can some party come in by the buildings and open a hospital or is there a hospital justification process that needs to be demonstrated to the state in order to do so?

1:55:09

I'm back. So I have to be careful in what I say here, because our office has to review this transaction. So if I say too much, I will probably some people will take it as me prejudging the materials that we are reviewing both from this presentation, but from other materials that are presented that are available to the public on our website. So we consider all the alternatives before we render our report. I know that's, that's somewhat vague. But that's, that's the best I can do. Thank you.

1:55:51

So if I could just add a little to that, Laurie? Sure. Know that. I can't like Tom, I can't speak to the application process to open up a new hospital. But I can tell you that if that transaction did not occur, that the future of the facilities would be driven by the secured lender. And so you know, what happens with campuses and resources is really at their direction. And they will sell it off to the highest bidder to try to get the best return on their dollar. And there's, you know, no guarantee that that would be a healthcare focused organization moving forward.

1:56:34

Thank you. A question. I'm trying to answer some of my community's questions in Moultonborough. Other than Information Technology debt, what caused such huge expenses, that caused LRGH to go bankrupt after 100 plus years? Kevin, do you want to address that?

1:56:55

Yeah, I'm thinking I need to take that one. And so you know, in my my initial discussions, I said that I was trying to stay away from rehashing some of the history, you know, but But clearly, there are a couple of things that got us to where we are, and Bob referenced a few of them. So, you know, we have outsized debt, for an organization our size. So for an organization our size, we are in the bottom fifth percentile, as it relates to debt to capitalization ratios. I'll put this one kind of a little bit tongue in cheek, but we didn't make hay when the sun shines with shining. So for years, you know, we had low margins, or no margins, and we didn't put money in the bank, if you would. So we essentially have no capital reserves to fund rainy days, if you will, like a pandemic code like COVID-19. We entered into an agreement with an electronic medical record vendor that we could not afford. And to Bob's earlier, kind of indications, you know, we entered into a number of contractual agreements, which were not sustainable for the long term future. And so in order to address the incredible expense of the IoT, to address the outstanding outlandish amounts of debt that we have to address the unsustainable contracts that we cannot afford, and to address the fact that we are not capitalized and Scott Sloane talked about this, bankruptcy was the only way to address that issue and move forward in a way that would allow us to continue to provide health care to our community. Thank you, Kevin. Bob, this

1:58:50

Question is for you, Bob didn't mention Harvard Pilgrim in his list of payers engaged in negotiations. Was that an oversight or does Concord Hospital not intend to engage in contract negotiations with Harvard Pilgrim?

1:59:04

Yeah, thank you, Laurie. I know that what I said and I want to be precise, we are committed to contracting with all third party payers that LRGHealthcare is contracted with to ensure that there are no gaps for anyone in the community with regard to insurance. So we are committed to that the point I made about the four major payers are we've gotten those contracts done. We have more to do. But we have completed those four larger contracts with those four organizations. That wasn't to suggest we were stopping there. We need to continue to ensure we have everyone under contract that we need to have under contract. So please understand, yes, we will contract with those that are already a part of LRGHealthcare, and we just made our way through four major insurers with a with more to go

2:00:00

Thank you, Bob.

2:00:02

All right.

2:00:07

Well, each hospital in the system Concord Lakes region, General Hospital and Franklin, negotiate individually with health plans or as components of a health system? Well, the

2:00:18

answer to that is as components of a health system, we'll coordinate the contracting as we need to, and it'll be specific to the various facilities, but we will do it as components of our health system.

2:00:30

And then a follow up on that. What do you anticipate your payer mix to be in five years?

2:00:37

Oh, goodness, that's a really interesting question. So you know, and and we're fortunate that I'm sure Kevin tracks as well as we track how things change over time. And what we're seeing in the second oldest state in the United States of America here in New Hampshire is that we're all aging. And what we're seeing is less commercial insurance and more Medicare. And that trend has been very consistent over the last decade plus, here in Concord, and I'm sure similar trends in laconian. Franklin for Kevin. So there is less commercial insurers and more Medicare beneficiaries. And what comes along with that transition, is that, you know, commercial insurers typically will pay more than the government. And it's that additional fund funding for services that allows health systems to have a small margin. And so as you lose the ability through commercial insurance and grow Medicare, that puts immense pressure on sustainability for health systems and being able to produce a, as we might think, a two to 3% margin to reinvest in the system going forward. Thank you, Bob.

2:01:53

I think that's it for our time for being able to do questions at this point. I appreciate all of you submitting your questions. And we will find a mechanism to try to address some of these concerns that weren't answered. Kevin, and, Bob, would you like to add any final comments?

2:02:16

Kevin, would you like to go?

2:02:18

I'll go for so you know, it's, it's been a long night. And I appreciate all the interest from the hundreds of people who have taken the time to participate tonight and the thoughtful questions. And so I just want to, I want to first and foremost, thank the interested citizens of the lakes in three rivers and Concord regions for their commitment to, you know, charitable organizations such as ours, and the concern for that. So thank you for that. And I also want to thank the state of New Hampshire for moving this process forward quickly, we are doing this in an extremely fast fashion, faster than most transactions. And because that's the dire situation that we find ourselves in. And we appreciate their willingness to work collaboratively with us on that. Clearly, we want to thank Concord Hospital, for supporting us over the years, but coming to the assistance of our organization at this time of dire need, which is really that time of dire need for our community. And you know, that is something that should not be taken lightly. And we want to thank them for that. And we appreciate the fact that they have that kind of a mission

driven organization. And, you know, lastly, I want to thank the two groups of individuals, one is our staff and our medical staff, who have hung with us through some difficult times and continue to serve this community in a way that really shows what they're made of, and that they are here to meet the needs of their community and to do what's right. And so without them, you know, the, the walls and the assets of this organization are nothing and so I know that our community appreciates that. And I just want to thank them directly for that. And lastly, I want to thank the community for also sticking with us. And I truly believe that the acquisition by Concord Hospital will put our organization and our community in a much better spot as it relates to meeting our healthcare needs moving forward. And you know, we worked hard to try to meet those needs in the past. And we look forward to working even harder with Concord Hospital as Concord Hospital to continue to meet them. So thank you to all the individuals who made that possible, and we look forward to next steps in this process.

2:04:32

Thank you, Kevin. This is Bob. I'll just go very briefly as the hour is late. I want to thank Tom Donovan, the director of charitable trusts from the ag office for organizing today's public hearing. I also want to thank those of you who have joined us this afternoon for your participation, engagement and really thoughtful questions. Thank you so much for being a part. I too want to echo what Kevin has said around regarding the medical staff of LRGHealthcare for those of you out there. And for those of you that aren't on the line, I want to thank you for everything you've done for these communities. And I want you to know sincerely that we will lean in and partner with all of you to ensure we can do our best to serve the region, and maintain local care in a sustainable manner for years to come. And so thank you for everything you've done. And we look forward to continuing to get deeper with you to ensure the future. And lastly, I want to recognize the people of the lakes and Three Rivers regions, as we're hopeful we can work together to ensure there remains a health care system in the region for years to come. And that's, that said, I'll toss it back to you, Laurie.

2:05:38

Thank you, Kevin. And, Bob. Tom, I'm going to ask you if you have any final final thoughts, but before I do, maybe in your thoughts, you can address kind of a consistent question that's come up. And is it is, is there a copy of the recording that might be available to the public of this, of this presentation?

2:06:01

Thank you, Laurie. Yeah, this is Tom Donovan, the recording will be available. It may be posted on our website, it may be posted on a hospital website. But if you go to our website, which is now showing on your screen, we will give directions as to where you can find the video. And also the slides of the presentations will be posted on our website. I'd like to just say in conclusion. Thank you members of the public. You answered you asked great questions today. I can sense from this how much people in the Lakes region, the Franklin area are committed to health care and concerned about what's happening. This is certainly a an important proposal that is in front of him in front of us and we'll consider all of your comments with the degree of seriousness that is warranted here. You and you can still make comments. And you can do them to the address on the screen right now. Please get them into us by March 5. And thank you to our panelists today. Bob Steigmeyr, Philip, Mr. Kevin Donovan, Cynthia Barron, Matthew Gibb, Scott Sloane and Katharine London and our moderator, Laurie Storey-Manseau, so so Laurie, we can say goodbye and end this hearing.

2:07:38

All right, great. I want to thank everyone for your wonderful questions. I apologize if I was not able to get to all of them. But know that they are recorded and they will be passed along to the director of charitable trusts. Appreciate your time this evening, all of the panelists and I will say with that we'll sign off and have a great evening. Thank you.